

# COMMITTEE REPORT

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## MR. PRESIDENT:

**The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 345, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1       Page 5, between lines 13 and 14, begin a new paragraph and insert:  
2       "SECTION 7. IC 28-1-20-4, AS AMENDED BY P.L.215-1999,  
3       SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4       JULY 1, 2001]: Sec. 4. (a) Except as provided in subsections (c), (d),  
5       (g), and (k) it is unlawful for any person, firm, limited liability  
6       company, or corporation (other than a bank or trust company or  
7       corporate fiduciary organized or reorganized under IC 28 or statutes in  
8       effect at the time of organization or reorganization or under the laws of  
9       the United States):  
10       (1) to use the word "~~trust~~" or the word "bank" as a part of the  
11       name or title of the person, firm, or corporation; or  
12       (2) to advertise or represent the person, firm, limited liability  
13       company, or corporation to the public:  
14             (A) as a bank or trust company or a corporate fiduciary; or  
15             (B) as affording the services or performing the duties which by  
16       law only a bank or trust company or a corporate fiduciary is  
17       entitled to afford and perform.  
18       (b) A financial institution organized under the laws of any state or  
19       the United States that establishes a branch office under this title is  
20       authorized to do business at that branch using a name other than the  
21       name of its home office.

(c) Notwithstanding the prohibitions of this section, an out-of-state financial institution with the word "bank" in its legal name may use the word "bank" if the financial institution is insured by the Federal Deposit Insurance Corporation or its successor.

(d) Notwithstanding subsection (a), a building and loan association organized under IC 28-4 (before its repeal) may include in its name or title:

(1) the words "savings bank"; or

(2) the word "bank" if the name or title also includes either the words "savings bank" or letters "SB".

A building and loan association that includes "savings bank" in its title under this section does not by that action become a savings bank for purposes of IC 28-6.1.

(e) The name or title of a savings bank governed by IC 28-6.1 must include the words "savings bank" or the letters "SB".

(f) A savings association may include in its name the words "building and loan association".

(g) Notwithstanding subsection (a), a bank holding company (as defined in 12 U.S.C. 1841) may use the word "bank" or "banks" as a part of its name. However, this subsection does not permit a bank holding company to advertise or represent itself to the public as affording the services or performing the duties that by law a bank or trust company only is entitled to afford and perform.

(h) The department is authorized to investigate the business affairs of any person, firm, limited liability company, or corporation that uses "bank" or ~~"trust"~~ in its title or holds itself out as a bank, **corporate fiduciary**, or trust **company** for the purpose of determining whether the person, firm, limited liability company, or corporation is violating any of the provisions of this article, and, for that purpose, the department and its agents shall have access to any and all of the books, records, papers, and effects of the person, firm, limited liability company, or corporation. In making its examination, the department may examine any person and the partners, officers, members, or agents of the firm, limited liability company, or corporation under oath, subpoena witnesses, and require the production of the books, records, papers, and effects considered necessary. On application of the department, the circuit or superior court of the county in which the person, firm, limited liability company, or corporation maintains a place of business shall, by proper proceedings, enforce the attendance and testimony of witnesses and the production and examination of books, papers, records, and effects.

(i) The department is authorized to exercise the powers under

1 IC 28-11-4 against a person, firm, limited liability company, or  
 2 corporation that improperly holds itself out as a financial institution.

3 (j) A person, firm, limited liability company, or corporation who  
 4 violates this section is subject to a penalty of two hundred dollars  
 5 (\$200) per day for each and every day during which the violation  
 6 continues. The penalty imposed shall be recovered in the name of the  
 7 state on relation of the department and, when recovered, shall be paid  
 8 into the financial institutions fund established by IC 28-11-2-9.

9 (k) The word "bank" may not be included in the name of a corporate  
 10 fiduciary."

11 Page 23, line 28, delete "12 U.S.C 24A" and insert "**12 U.S.C. 24a**".

12 Page 24, line 20, delete "protect the financial institution from  
 13 undue".

14 Page 24, line 21, delete "risk or to"

15 Page 24, line 39, delete "12 U.S.C 24A(d)" and insert "**12 U.S.C.**  
 16 **24a(d)**".

17 Renumber all SECTIONS consecutively.

(Reference is to SB 345 as introduced.)

**and when so amended that said bill do pass .**

Committee Vote: Yeas 8, Nays 0.

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**Senator Paul, Chairperson**